

Subject: Fwd: Lot 87 and Dissolving an HOA and transferring strip lots of Kentwood to the city
From: Nate Kaplan <nate.kaplan@lacity.org>
Date: 03/18/2013 12:57 PM
To: Don Duckworth <duckworth.donald@gmail.com>, jruhlen916 <jruhlen916@aol.com>

fyi - this could affect your efforts to get the strip lots dedicated to the City

----- Forwarded message -----

From: **Bruce Warner** <warnerb@pacbell.net>
Date: Sat, Mar 16, 2013 at 3:56 AM
Subject: Lot 87 and Dissolving an HOA and transferring strip lots of Kentwood to the city
To: nate kaplan <nate.kaplan@lacity.org>, mike bonin <mike.bonin@lacity.org>, mike bonin <mikebonin@gmail.com>, bill rosendahl <councilman.rosendahl@lacity.org>, norman kulla <norman.kulla@lacity.org>, Artin Gholian <art@thejordanlawgroup.com>, bnahid@ca.rr.com, les@blacktievalet.com, mshayan@sbcglobal.net, rdown@ca.rr.com, srogers@kentwoodhomeguardians.com, lorendavis@lorjay.net, kim.westhoff@lacity.org, Jane.Usher@lacity.org

Kentwood Home Guardian Board Members

I would like to bring to your attention that transferring the Sepulveda Blvd. Strip lots to the city appears to be a violation of Corporations Code §8724. As this would be a transfer of all or substantially all of the associations assets. And this would require a 100% approval of all homeowners. I have copied the city attorney's office on this as there is a hierarchy of enforcement which I suspect they would cause them some concern.

The city may have to do some soul searching on this hierarchy of enforcement . City please review: <http://newsletters.davis-stirling.com/Docs/pdf/Dissolution%20Letter.pdf> and please review 91-751918, 91-75919 .

Moving on with the details:

Those documents also would be relevant to a hierarchy of enforcement that

would be required of the city and a homeowners association. Such as Federal constitution and statutes, State and local statutes, Map or plans for subdivision or association, Declaration of Covenants, Conditions and Restrictions (CC&Rs) , Articles of Incorporation, Bylaws, Rules and regulations. Homeowners association and local government must abide by hierarchy of laws such as Corporations Code §8724 or Los Angeles city covenants. **91-751918, 91-75919**

The structure of homeowners association is this: every owner owns a percentage share of the association - perhaps it's an equal share, or its a share based on square footage or some other pattern.

(The association's owners/ members elect a board of directors. The directors establish which role each will serve within the corporate structure. The board then represents the business interests of the owners. The structure is often as a corporation, and most often a non-profit corporation. Owners pay assessments to cover the cost of operating the association: maintaining, preserving and protecting the association's assets.)

In short: the homeowners are the association, and the owners own a share of the common areas together with all other owners.

Here is what the law firm who represents the association has referenced on their web site quotes on section 8724:

<http://www.davis-stirling.com/Statutes/CorpCode8724/tabid/3133/Default.aspx#axzz2NlaliMii>

It appears to transfer the strip lots to the city as proposed would require 100% approval by all members. It is simply a lot, parcel, area, apartment, or unit. As it would be a transfer all or substantially all of its assets.

I put the board on notice that they would be grossly negligent to transfer these substantial portions of these properties to the city without 100% approval. These are the bulk of the Kentwood assets. As described in the e-mail I sent previously below. I must note that e-mail excludes additional parcels owned by the

association from roughly 83rd to 84 pl.

Corporations Code §8724. Dissolution of an Association.

Without the approval of 100 percent of the members, any contrary provision in this part or the articles or bylaws notwithstanding, so long as there is any lot, parcel, area, apartment, or unit for which an owners' association, created in connection with any of the forms of development referred to in Section 11004.5 of the Business and Professions Code, is obligated to provide management, maintenance, preservation, or control, the following shall apply:

(a) The owners' association or any person acting on its behalf shall not do either of the following:

(1) Transfer all or substantially all of its assets.

(2) File a certificate of dissolution.

(b) No court shall enter an order declaring the owners' association duly wound up and dissolved.

Section 11004.5 of the Business and Professions Code:

<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=bpc&group=10001-11000&file=11000-11008>

Should the board make any further effort to communicate dissolution of the association to the membership it would seem to be gross negligence and clearly causes great harm and damages to the Kentwood Home Guardians Association until it addresses the ramifications of section 8724. In addition, this is now the third item of gross negligence I have brought to the boards attention. One other board member has asked this board to be more cautious in their decisions and has been recently chastised in the January 2013 association minutes. In the minutes Mason names himself and explains a board members opposition at meetings to these very items of gross negligence that I have referenced - as I

read it in the minutes "Loren's record was in opposition on almost every issue.

On a positive note I do believe that other arrangements could be made to maintain association property and insure a nicer streetscape.

Bruce Warner

[\(310\) 410-9350](tel:(310)410-9350)

From: Bruce Warner [mailto:warnerb@pacbell.net]
Sent: Monday, March 11, 2013 10:35 PM
To: 'lorendavis@lorjay.net'
Subject: FW: Dissolving an HOA

Loren - I referenced this in the second link below in my e-mail below to the board for the legal details of dissolution. Then there is this information I link below:

<http://www.davis-stirling.com/MainIndex/DissolvinganHOA/tabid/459/Default.aspx#axzz2NlcFf59C>

This is more interesting as it is a government response, to one homeowners association.

<http://newsletters.davis-stirling.com/Docs/pdf/Dissolution%20Letter.pdf>

You will note I am very specific about it being gross negligence to pursue without fully understanding the ramifications presented by that code 8724:

<http://www.davis-stirling.com/Statutes/CorpCode8724/tabid/3133/Default.aspx#axzz2NlaliMii>

I believe even 50% plus 1 is unattainable but appears the burden is much

greater. I will follow with the e-mail from Craig who I feel may desire to disband believe you better know your facts.

This board will be put on notice - I suspect quite loudly after the next meeting.

Bruce Warner

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bwerner@operativesoft.com

From: Bruce Warner [<mailto:bwerner@operativesoft.com>]

Sent: Friday, February 22, 2013 10:51 PM

To: bnahid@ca.rr.com; les@blacktievalet.com; mshayan@sbcglobal.net; rdown@ca.rr.com; srogers@kentwoodhomeguardians.com; lorendavis@lorjay.net

Subject: Dissoving an HOA

All -

It appears it is quite irresponsible for a board to even suggest disbanding or maybe more correctly dissolving a home owners association.

Basically it is stated best in the next link which I quote " California Corporations Code requires 100% member approval to dissolve an HOA that is incorporated and has maintenance responsibilities with regard to the property."

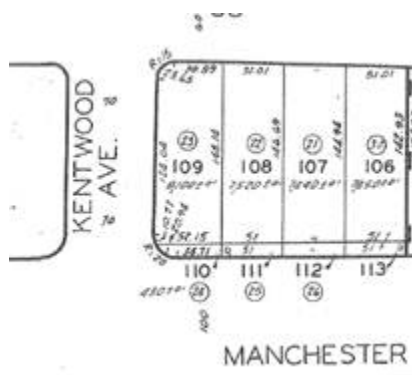
<http://condolawguru.com/2012/06/what-about-just-dissolving-the-hoa-or-condo-association/>

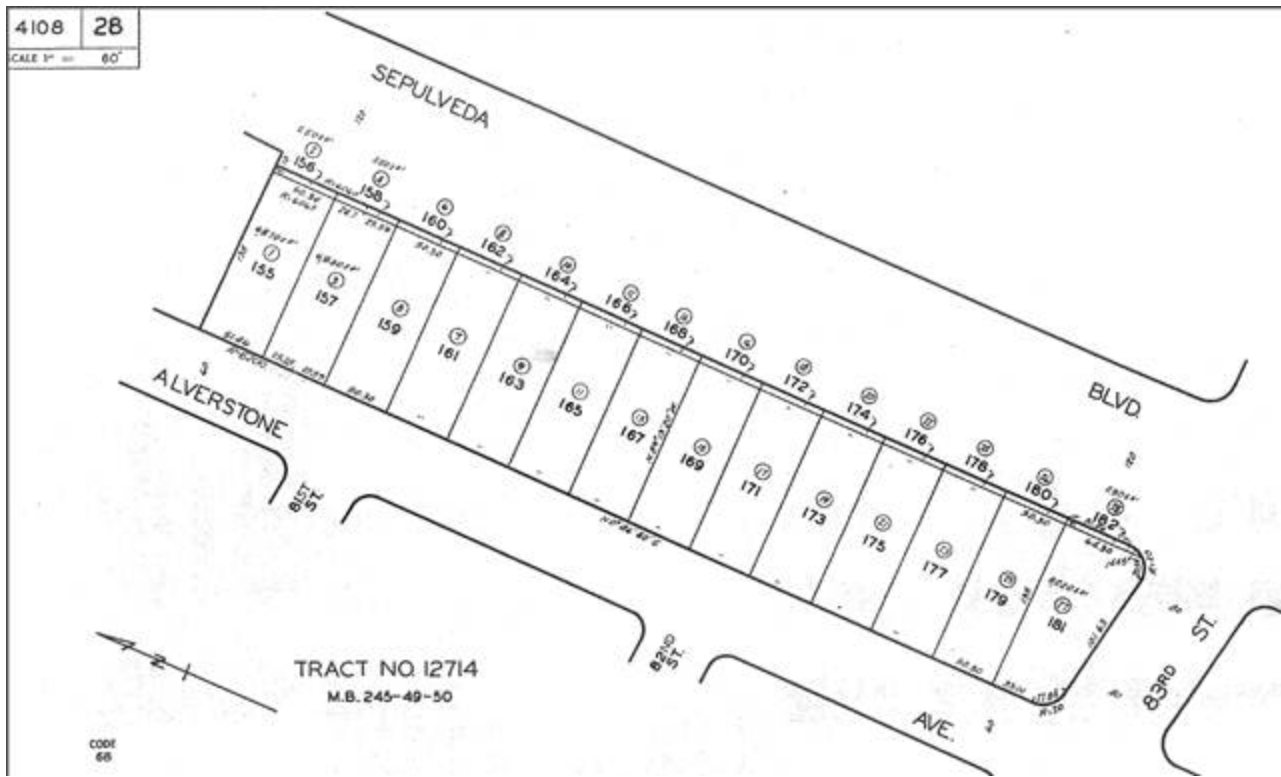
You all may not know this but KHG has common property – the strip lots. Three tiny sections a few feet deep at the back of three lots on Manchester east of Kentwood Avenue. Identified by numbered circles in the maps below or attached depending on how your e-mail reacts. There are also the lots on Sepulveda between 80th and 83rd street. they were supposed to be transferred to the city – that may not happen as announced at the last board meeting. In fact, at the last board meeting the maintenance obligations on these lot also came up as KHG was tasked by local government to do maintenance to clean up stuff.

In summary, any discussion of dissolution or disbanding KHG is irresponsibly premature. Again, this is another example how certain board member have been grossly negligent in performing their duties on the board. Wasting money on a survey that included and in my opinion promoted an option called disband. A board putting personal self-interest of certain board members before the best interest of KHG members. Three board member voted in favor of the survey they were Les Watt, Mason Shayan and Ralph Downing. At this point in time Disband cannot be an option and should not have been proposed. There is a common theme here gross negligence by board members.

For a more technical Davis Sterling discussion: <http://www.davis-stirling.com/MainIndex/DissolvinganHOA/tabid/459/Default.aspx#axzz2LaWT6SAw>

Common area maps common area lots have the circled numbers. Tiny little things called strip lots.





Bruce Warner

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Fwd: Lot 87 and Dissolving an HOA and transferin...

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